

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Chapter 11

RGR WATKINS, LLC,

Case No. 8:13-bk-12147-KRM

Debtor.

**AGREED INTERIM ORDER GRANTING DEBTOR'S EMERGENCY MOTION
FOR ENTRY OF INTERIM AND FINAL ORDERS AUTHORIZING USE OF
CASH COLLATERAL AND GRANTING REPLACEMENT LIENS PURSUANT
TO SECTIONS 105(a), 361, 363, 541 AND 552 OF THE BANKRUPTCY CODE
AND RULE 4001 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE¹**

THIS CASE came before the Court for a hearing on September 16, 2013 at 2:00 p.m., for consideration of the *Debtor's Emergency Motion for Entry of Interim and Final Orders Authorizing Use of Cash Collateral and Granting Replacement Liens Pursuant to Sections 105(a), 361, 363, 541 and 552 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure* (the "**Motion**") (Doc. No. 6) and the *Response in Opposition Debtor's Emergency Motion for Entry of Interim and Final Orders Authorizing Use of Cash Collateral and Granting Replacement Liens Pursuant to Sections 105(a), 361, 363, 541 and 552 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure* (the "**Objection**") (Doc. No. 19) filed by CJUF III Atlas Portfolio LLC ("**CJUF**"), as successor in interest to CSMI Investors, LLC, as successor in interest to Bank of America, N.A. The Motion seeks the entry of interim and final orders authorizing the use of "Cash Collateral" as defined in Section 363(a) of the Bankruptcy Code. The Court, having reviewed the Motion and being advised of the

¹ Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

agreement of the Debtor and CJUF, and having heard the argument of the United States Trustee, finds that the Motion should be granted on an interim basis. Accordingly, for the reasons stated orally and recorded in open court, which shall constitute the decision of the Court, it is

ORDERED that:

1. The Motion is granted on an interim basis as set forth herein pending a further hearing to be conducted by the Court on November 14, 2013 at 11:00 a.m.

2. As set forth in the Court's *Agreed Order Granting Emergency Motion Pursuant To 11 U.S.C. § 543(D)(1) to Excuse Receiver From Compliance with Turnover Requirements and to Establish Powers and Duties of Receiver*, the Debtor and CJUF, with approval of the Court, have agreed, without prejudice, to leave Richard DeLisle (the "**Receiver**") in place through November 15, 2013.

3. The Debtor, through the Receiver, is authorized to use Cash Collateral (as that term is defined in Section 363(a) of the Bankruptcy Code) including, without limitation, cash, deposit accounts, accounts receivable, and rental revenue in accordance with the budget (the "**Budget**"), a copy of which is attached hereto as **Exhibit A**, so long as the aggregate of all expenses for each week do not exceed the amount in the Budget by more than ten percent (10%) for any such week on a cumulative basis (the "**Variance**"). Expenses not included in the Budget or which exceed the Variance may be paid with the written consent of the Debtor and CJUF. Notwithstanding the foregoing, subject to the provisions of paragraph ten of this Order, expenditures in excess of the Variance or not on the Budget will not be deemed to be unauthorized use of Cash Collateral, unless the

recipient cannot establish that the expense would be entitled to administrative expense priority if the recipient had extended credit for the expenditure.

4. CJUF is granted as adequate protection a post-petition replacement lien against the Debtor's Cash Collateral to the same extent, validity, and priority as existed as of the Petition Date without the need to file or execute any document as may otherwise be required under applicable nonbankruptcy law.

5. The Debtor, through the Receiver, shall maintain insurance coverage for the Business Center in accordance with the obligations under the Loan Documents.

6. This Order is not and shall not be construed as determinative as to whether or not any creditor has a valid lien on any property of the Debtor or its estate. This Order is not and shall not be construed as determinative as to the extent or amount of any secured claim associated with any such lien.

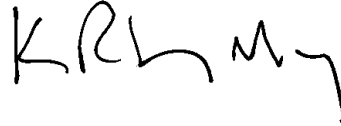
7. This Order is without prejudice to the Debtor's right to challenge the extent, validity, or priority of any lien or claim of any creditor, and is likewise without prejudice to the right of any creditor to seek modified adequate protection or restrictions on use of Cash Collateral. Nothing contained in this Order shall be deemed to constitute a waiver of any party's rights.

8. This Order is without prejudice to the Debtor's rights to seek authority by separate motion to pay monies in excess of the amounts set forth in the Budget.

9. The provisions of this Order shall remain in full force and effect unless modified or vacated by subsequent order of this Court.

10. All persons and entities owing monies to the Debtor are authorized and directed to pay the monies to the Receiver on behalf of the Debtor, without setoff, which sums shall upon collection by the Receiver constitute Cash Collateral.

DONE AND ORDERED at Tampa, Florida, on October 28, 2013.

A handwritten signature in black ink, appearing to read 'K. Rodney May', is written above a horizontal line.

K. Rodney May
United States Bankruptcy Judge

Attorney Elena Paras Ketchum is directed to serve a copy of this order on interested parties and file a proof of service within 3 days of entry of the order.

EXHIBIT A

G/L CODE	DESCRIPTION	SEP	OCT	NOV	Total
RENTAL INCOME					
4001	RENTAL INCOME	30,269	139,286	140,812	310,367
	NET RENTAL INCOME	30,269	139,286	140,812	310,367
OTHER INCOME					
4212	COMMON AREA MAINTENANCE	11,886	50,750	51,224	113,860
4274	LATE FEE INCOME	-	367	194	561
4318	TI REIMBURSEMENT	-	2,139	2,139	4,278
4320	UTILITY / WATER INCOME	183	420	210	813
4015	PREPAID RENT	2,470	-	-	2,470
4199	WORK ORDER INCOME	328	-	-	328
4910	SECURITY DEPOSIT FORFEIT CLEARING ACCOUNT	3,005	-	-	3,005
	TOTAL OTHER INCOME	14,867	53,676	53,767	122,310
	TOTAL INCOME:	45,136	192,962	194,579	432,677
SALARIES					
5008	MAINTENANCE ASSISTANT	1,206	5,111	2,556	8,873
5020	PAYROLL SALARY	6,319	13,049	6,524	25,893
5027	PAYROLL TAXES & FEES	988	2,542	1,271	4,801
5032	LIFE & HEALTH INSURANCE	325	2,375	1,188	3,888
5014	OVERTIME	108	-	-	-
	TOTAL SALARIES	8,839	23,077	11,538	43,454
LANDSCAPE SERVICES					
5102	LANDSCAPE EXTERIOR CONTRACT	3,600	4,500	4,500	12,600
5106	LANDSCAPE FLOWERS/SEASONAL COLOR	-	10,000	-	10,000
5108	LANDSCAPE PINESTRAW/MULCH	-	-	-	-
5112	LANDSCAPE MISCELLANEOUS	-	-	-	-
5120	TREE REMOVAL/IRRIGATION	-	-	-	-
	TOTAL LANDSCAPE SERVICES	3,600	14,500	4,500	22,600

UTILITIES

5200 ELECTRICITY - VACANTS	338	1,619	1,594	3,551
5202 ELECTRICITY - COMMON AREA	-	3,027	2,561	5,588
5204 ELECTRICITY - BUILDING	-	749	695	1,444
5216 GAS - BUILDING	-	637	730	1,367
5220 WATER/SEWAGE - COMMON AREA	-	5,010	5,010	10,020
5221 WATER / IRRIGATION	-	3,212	547	3,759
5222 WATER / SEWAGE - VACANTS	-	79	79	158
5228 TRASH REMOVAL	-	2,785	2,785	5,570
TOTAL UTILITIES	338	17,118	14,001	31,458

CLEANING & JANITORIAL

5262 DAY PORTER	-	-	-	-
5266 JANITORIAL CONTRACT	-	675	675	1,350
5270 JANITORIAL SUPPLIES	-	150	75	225
TOTAL CLEANING / JANITORIAL	-	825	750	1,575

REPAIRS & MAINTENANCE

5310 VACANT CLEANING	-	100	50	150
5316 PAINT/WALLPAPER	1,400	-	-	1,400
5450 ADA Compliance	151	175	88	414
5467 Ceiling Tile Repair	-	160	80	240
5471 CONTROLLED ACCESS/ALARMS/MONITORING	-	81	-	81
5474 ELECTRICAL REPAIRS	-	120	60	180
5475 ELECTRICAL SUPPLIES - BALLASTS	508	215	108	831
5476 ELECTRICAL SUPPLIES - BALLASTS COMMON	-	150	75	225
5477 ELECTRICAL SUPPLIES - LAMPS	305	225	113	643
5478 ELECTRICAL SUPPLIES - LAMPS COMMON	-	175	88	263
5479 ELECTRICAL SUPPLIES - MISCELLANEOUS	52	120	60	232
5489 EQUIPMENT REPAIRS	-	-	-	-
5490 EXTERIOR REFURBISHMENT / REPAIRS	-	175	88	263
5491 Fire/Life/Safety - Extinguishers	-	-	138	138
5493 Fire/Life/Safety - Sprinklers	-	-	-	-
5494 FIRE/LIFE/SAFETY - SUPPLIES	131	280	140	551

5495 Sheetrock Repair/Replace	28	55	28	111
5496 FUEL	90	200	100	390
5498 GENERAL MAINTENANCE UNIFORMS	-	-	-	-
5500 GENERAL MAINTENANCE - MATERIALS/SUPPLIES	18	80	40	138
5501 GENERAL MAINTENANCE - Small tools/Equipment	185	-	-	185
5502 GENERAL MAINTENANCE - MISCELLANEOUS	-	75	38	113
5513 HVAC Supplies	-	40	20	60
5514 HVAC REPAIRS	89	950	475	1,514
5519 IRRIGATION REPAIRS	2,495	750	-	3,245
5521 LOCKS & KEYS	-	420	210	630
5528 PARKING LOT REPAIRS	-	1,000	500	1,500
5530 PEST CONTROL & BOND	-	-	-	-
5531 PLUMBING - CONTRACT SVCS	-	-	-	-
5532 PLUMBING REPAIRS	-	500	250	750
5534 PLUMBING SUPPLIES	3	250	125	378
5537 ROOFING REPAIRS	-	500	250	750
5540 SIGN EXPENSE - Bldg Suites	-	500	250	750
TOTAL REPAIRS & MAINTENANCE	5,455	7,296	3,370	16,121

MARKETING

5562 PUBLICATIONS	-	600	300	900
5566 BROCHURES/LETTERHEAD/FLYERS	-	-	500	500
5568 RESIDENT RELATIONS / SPECIALTY ITEMS	-	50	25	75
5564 DUES/MEMBERSHIPS/SUBSCRIPTIONS	-	-	-	-
5572 MOVE-IN GIFTS	-	50	25	75
5574 PARTIES / GRAND OPENINGS	550	-	-	550
5582 TENANT RELATIONS	-	-	-	-
TOTAL MARKETING	550	700	850	2,100

ADMINISTRATIVE EXPENSES

5600 ACCOUNTING SERVICES	-	750	750	1,500
5608 ARCHITECTURAL FEES	2,614	-	-	2,614
5609 BANK SERVICE CHARGE	-	15	15	30

5614 BUSINESS LICENSES / FEES	-	-	-	-	-
5620 COMPUTER & SOFTWARE EXPENSE	1,562	-	-	-	1,562
5624 CREDIT BUREAU FEES	-	80	40	-	120
5627 GROUND RENT/LEASE	-	-	-	-	-
5630 EQUIPMENT RENTAL/LEASE	213	230	230	673	673
5631 FITNESS FACILITY EXPENSE	-	250	250	500	500
5633 FURNITURE - OFFICE	-	-	-	-	-
5636 LEGAL/FILING FEES	-	1,000	500	1,500	1,500
5642 MILEAGE EXPENSE	-	35	18	53	53
5637 LICENSES & PERMITS	-	-	-	-	-
5644 OFFICE SUPPLIES/FORMS/COPIES	120	250	125	495	495
5646 OVERNIGHT EXPENSE	71	35	18	124	124
5649 POSTAGE	-	200	100	300	300
5652 PROFESSIONAL FEES	-	-	-	-	-
5662 SECURITY PROTECTION	-	2,320	2,320	4,640	4,640
5668 TELEPHONE / CELL PHONE EXPENSES	308	520	520	1,348	1,348
5672 TRAVEL & ENTERTAINMENT	-	165	83	248	248
TOTAL ADMINISTRATIVE EXPENSE	4,887	5,850	4,968	15,705	15,705
MANAGEMENT FEES					
5700 MANAGEMENT FEE	1,675	6,754	6,824	15,253	15,253
TOTAL MANAGEMENT FEES	1,675	6,754	6,824	15,253	15,253
INSURANCE					
5800 INSURANCE	-	-	-	-	-
TOTAL INSURANCE	-	-	-	-	-
PROPERTY TAXES					
5900 TAXES - PROPERTY	-	-	-	-	-
TOTAL TAXES	-	-	-	-	-
TOTAL EXPENSES:	25,344	76,120	46,801	148,265	148,265

NET OPERATING INCOME (NOI)		19,792	116,842	147,778	284,412
LEASING COSTS NOT CAM'D					
5619	COMMISSION - LEASING FEES	3,501	26,000	8,640	43,091
	TOTALS	3,501	26,000	8,640	43,091
	NET CASH FLOW	16,291	90,842	139,138	241,321
	8030 NON-ESCALATING CONSULTING	-	-	-	-
	8032 NON-ESCALATING DESIGN FEES	-	-	-	-
	8034 NON-ESCALATING ADVERTISING	-	-	-	-
	TOTAL NON-ESCALATING ACCOUNTS	-	-	-	-
CASHFLOW AFTER NON-ESCALATING ACCOUNTS		16,291	90,842	139,138	241,321
	8001-000 TENANT IMPROVEMENTS	-	70,687	11,011	81,698
	8001-000 SPACE PLANNING	-	1,530	490	2,020
	TOTAL TI	-	72,217	11,501	83,718
CASH FLOW AFTER TENANT IMPROVEMENTS		16,291	18,625	127,638	162,554
Capital Improvements		-	-	-	-
TOTAL CAPEX		-	-	-	-
CASH FLOW AFTER CAPEX		16,291	18,625	127,638	162,554